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House of Representatives

Hon. MICHAEL M. HONDA

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Mr. Speaker, I rise in strong opposition to H.R. 4241, legislation that will require approximately \$57 billion in federal spending reductions. Deceptively titled the Deficit Reduction Act, the bill resorts to trickery—a sleight of hand in which fiscal responsibility is promised, but never delivered. H.R. 4241 could actually increase the budget deficit by \$35 billion, while instituting draconian cuts to essential federal programs, such as Medicaid and student loan.

Proponents of the bill suggest that such cuts are necessary to offset the recovery and reconstruction costs of Hurricanes Katrina and Rita. This assertion is curious at best. Since 2003, Congress has approved three colossal supplemental spending bills for the war and reconstruction effort in Iraq without providing any offsets as proposed by Democrats. Why are Republicans suddenly so interested in offsetting the reconstruction of Biloxi, but not the reconstruction of Baghdad?

The American people should not be misled. These long-planned spending cuts have little to do with Biloxi or Baghdad. They, instead, are a necessary prelude to another Republican effort to shepherd through Congress tax cuts that

disproportionately benefit the wealthiest Americans. In fact, the so-called Deficit Reduction Act is a part of a much broader budget resolution that calls for a total of \$106 billion in additional tax cuts.

With tax cuts for the rich in the offing, Republicans propose to restore fiscal restraint by imposing cuts to federal programs that benefit the most vulnerable Americans. The bill, for example, cuts Medicaid spending by \$11.4 billion. Medicaid currently provides critical health care to 50 million low-income children, families, seniors, and people with disabilities. Cutting the program will force thousands into the ranks of the uninsured.

The bill would allow states to increase cost-sharing and impose new premiums on many categories of Medicaid beneficiaries. Research shows that when cost-sharing is increased significantly for low-income people, their use of health care services declines and their health status worsens. To make matters worse, H.R. 4241 allows states, for the first time, to let health care providers refuse care if a beneficiary cannot afford the co-payment. In doing so, a state can bypass an entitlement in current law that provides children with coverage of medical care and health services. This change could negatively affect more than 1/5 of children covered by Medicaid—more than 5 million children overall.

This Republican budget reconciliation bill also calls for \$14.3

billion in cuts to student loan programs. The State of California has the highest number of student borrowers at 496,822. Tuition at public universities has skyrocketed by 57 percent over the last five years, and yet the GOP proposes the largest cut in the history of student aid--resulting in the typical student borrower having to pay as much as \$5,800 more for his or her college loans. Ultimately, cutting the student loan program compromises America's global competitiveness and the economic vitality of Silicon Valley.

H.R. 4241 also requires \$4.9 billion in cuts to child support enforcement, dramatically impairing states' ability to enforce child support orders. In fact, the Congressional Budget Office has estimated that the bill will lead to \$24.1 billion in reduced child support collections over the next ten years, including a \$4.9 billion loss to California's single parents that rely on child support to survive.

The Republican leadership's reprehensible cuts sadly extend to other equally important federal priorities, including \$577 million in cuts to foster care programs, \$796 million to food stamps, and \$732 million from the Supplemental Security Income (SSI). Millions of Americans rely on these critical federal programs as a safety net and a platform for upward mobility.

As an advocate for fiscal responsibility, I cannot support a proposal that will worsen the federal budget's bottom line, while giving short shrift to the needs of working Americans. I am proud to belong to the party of fiscal responsibility. In the 1990s, President Clinton and Congressional Democrats erased record deficits and ushered in an era of record surpluses. Our Nation now needs to return to the very practices that offered prosperity in the 1990s, which is what my Democratic colleagues and I sought to do earlier this year during debate on the FY2006 Budget Resolution. The Democratic plan would have instituted pay-as-you-go rules and balanced the budget by 2012.

The federal budget should embody our nation's values, not undermine them

as this budget amendment does. President Bush and his allies in Congress have been poor stewards of our national finances by placing special interests above the people's interests, and now they expect working Americans to shoulder the costs of their reckless policies.

I oppose the appalling cuts required by H.R. 4241, and I encourage my colleagues on both sides of the aisle to vote against this harmful measure.